

**HOUSE JOURNAL**  
**65TH LEGISLATURE / SPECIAL SESSION NOVEMBER 2017**  
**SECOND LEGISLATIVE DAY**

Helena, Montana  
November 15, 2017

House Chambers  
State Capitol

House convened at 10:56 a.m. Mr. Speaker presiding. Invocation by Representative Skees.  
Pledge of Allegiance to the Flag.

Roll Call. All members present. Quorum present.

**BILLS** (Ricci, Chair)

11/15/2017

Correctly printed: **HB 2, HB 3, HB 5, HB 6, HB 7, SB 1, SB 2, SB 3, SB 4, SB 5, SB 9, SB 12.**

Correctly engrossed: **HB 2, HB 6, HB 7.**

Correctly enrolled: **HB 2, HB 5, HB 8, HR 1.**

Transmitted to the Senate: **HB 2, HB 3, HB 5, HB 6, HB 8.**

Signed by the Chief Clerk: **HR 1.**

Signed by the Speaker of the House: **HR 1.**

Delivered to the Secretary of State: **HR 1.**

Representative Windy Boy rose on a **Point of Personal Privilege**. He apologized for comments made the previous evening that may have been perceived as a personal attack. This was not his intent.

**REPORTS OF STANDING COMMITTEES**

**APPROPRIATIONS** (Ballance, Chair):

11/14/2017

**HB 2**, introduced bill, be amended as follows:

1. Page A-1, line 6 through page E-12, line 27.

**Insert:** "the attached amendments (as engrossed in the second reading copy)"

And, as amended, do pass. Report adopted.

**TAXATION** (Essmann, Chair):

11/15/2017

**HB 7**, introduced bill, be amended as follows:

1. Title, page 1, line 5.

**Following:** "CREDITS;"

**Insert:** "PROVIDING THAT CERTAIN TAX CREDITS MAY NOT BE CLAIMED IN TAX YEAR  
2018 AND TAX YEAR 2019;"

2. Title, page 1, line 5 through line 9.

**Strike:** "15-30-2618," on line 5 through "15-30-2380," on line 9

**Insert:** "15-30-2319, 15-30-2320, 15-30-2342, 15-30-2356, 15-30-2358, 15-30-2365, 15-30-2367,

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

15-31-125, 15-31-132, 15-31-133, 15-31-134, 15-31-150, 15-31-151, 15-32-109, 15-32-115, 15-32-201, 15-32-202, 15-32-402, 15-32-404, 15-32-505, 15-32-602, 15-32-701, 15-32-702, 15-32-703, AND 15-50-207, MCA; REPEALING SECTIONS"

3. Title, page 1, line 9 through line 11.

**Strike:** "15-31-124," on line 9 through "15-31-162," on line 11

4. Title, page 1, line 11 through line 14.

**Strike:** "15-31-173," on line 11 through "39-6-109," on line 14

5. Title, page 1, line 15.

**Strike:** "AND"

**Insert:** ", "

**Following:** "APPLICABILITY DATE"

**Insert:** ", AND A TERMINATION DATE"

6. Page 1, line 19 through page 28, line 13.

**Strike:** section 1 through section 15 in their entirety

**Insert:** "Section 1. Section 15-30-2319, MCA, is amended to read:

**"15-30-2319. Credit for energy-conserving investments.** There is a credit against tax liability under this chapter as provided in 15-32-109. The credit may not be claimed in tax years 2018 and 2019."

**Insert:** "Section 2. Section 15-30-2320, MCA, is amended to read:

**"15-30-2320. Credit for alternative fuel motor vehicle conversion.** (1) (a) Except as provided in subsection (1)(b) an individual, a corporation, a partnership, or a small business corporation as defined in 15-30-3301 is allowed a tax credit against taxes imposed by 15-30-2103 or 15-31-101 for equipment and labor costs incurred to convert a motor vehicle licensed in Montana to operate on alternative fuel. The credit may not be claimed in tax years 2018 and 2019.

(b) A seller of alternative fuel may not receive a credit for converting its own vehicles to the alternative fuel that it sells.

(2) The maximum credit a taxpayer may claim in a year under this section is an amount equal to 50% of the equipment and labor costs incurred but the credit may not exceed:

(a) \$500 for conversion of a motor vehicle with a gross weight of 10,000 pounds or less;  
or

(b) \$1,000 for conversion of a motor vehicle with a gross vehicle weight over 10,000 pounds.

(3) For the purposes of this section, "alternative fuel" means:

(a) natural gas;

(b) liquefied petroleum gas;

(c) liquefied natural gas;

(d) hydrogen;

(e) electricity; or

(f) any other fuel if at least 85% of the fuel is methanol, ethanol or other alcohol, ether, or any combination of them.

(4) (a) The credit allowed under this section may not exceed the taxpayer's income tax

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

liability.

(b) There is no carryback or carryforward of the credit permitted under this section, and the credit must be applied in the year the conversion is made, as determined by the taxpayer's accounting method."

**Insert: "Section 3.** Section 15-30-2342, MCA, is amended to read:

**"15-30-2342. Credit for preservation of historic buildings.** (1) There is allowed as a credit against the taxes imposed by 15-30-2103 a percentage of the credit allowed for qualified rehabilitation expenditures with respect to any certified historic building located in Montana as provided in 15-31-151. The credit may not be claimed in tax years 2018 and 2019.

(2) The credit may not be allocated between spouses unless the property is used by a small business corporation or a partnership in which they are shareholders or partners."

"

**Insert: "Section 4.** Section 15-30-2356, MCA, is amended to read:

**"15-30-2356. Empowerment zone new employees -- tax credit.** (1) There is a credit for taxes due under 15-30-2103 for an employer for each new employee at a business in an empowerment zone created pursuant to Title 7, chapter 21, part 37. The taxpayer must be certified by the department of labor and industry to be eligible to receive the credit as provided in 7-21-3710.

(2) The amount of the credit for each qualifying employee is:

1st year of employment	\$500
2nd year of employment	\$1,000
3rd year of employment	\$1,500

(3) If the amount of the credit exceeds the taxpayer's liability, the credit may be carried forward 7 years and carried back 3 years. The entire amount of the tax credit not used in the year earned must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax year. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 5.** Section 15-30-2358, MCA, is amended to read:

**"15-30-2358. Qualified research tax credit.** There is a credit against taxes otherwise due under this chapter allowable for qualified research. The credit must be computed and administered as provided in 15-31-150. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 6.** Section 15-30-2365, MCA, is amended to read:

**"15-30-2365. Credit for day-care facilities.** There is a credit against the taxes otherwise due under this chapter allowable to an employer based on the amounts paid or incurred during the tax year by the employer to acquire, construct, reconstruct, renovate, or otherwise improve real property to be used primarily as a day-care facility. The credit must be computed in accordance with the provisions of 15-31-133. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 7.** Section 15-30-2367, MCA, is amended to read:

**"15-30-2367. Tax credit for providing disability insurance for employees.** There is a credit against the taxes otherwise due under this chapter allowable to an employer for the amount of premiums for disability insurance paid by the employer for the employer's employees. The tax credit must be computed in accordance with the provisions of 15-31-132. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 8.** Section 15-31-125, MCA, is amended to read:

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

**"15-31-125. Determination of tax credit.** A new or expanding manufacturing corporation may receive an income tax credit based on a percentage of wages paid its new employees within this state for a period of 3 years as provided in this section. For the first 3 years of operation of a new corporation or the first 3 years of expansion of an expanding corporation, a credit of 1% of the total new wages paid in this state, as wages are defined in 39-51-201, may be allowed. In determining total wages for an expanding corporation, only those wages paid in support of the expansion are considered in ascertaining the credit. The payroll and number of jobs of the corporation in the 12-month period immediately preceding the expansion are averaged to determine eligibility for the credit. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 9.** Section 15-31-132, MCA, is amended to read:

**"15-31-132. Tax credit for providing disability insurance for employees.** An employer is entitled to a credit against taxes otherwise due under this chapter for the amount of premiums for disability insurance paid by the employer for the employer's employees, subject to the following requirements:

- (1) The tax credit is available only to employers who:
  - (a) have been in business in Montana for at least 12 months; and
  - (b) employ 20 or fewer employees working at least 20 hours a week.
- (2) At least 50% of each employee's insurance premium is paid by the employer.
- (3) Subject to the provisions of subsection (4), an employer is entitled to a tax credit for a maximum of 10 employees, computed as follows:
  - (a) a credit of \$25 a month for each employee if the employer pays 100% of the employee's premium; or
  - (b) a credit equal to \$25 a month multiplied by the percentage of the employee's premium paid by the employer for each employee if the employer pays less than 100% of the employee's premium.
- (4) The credit may not exceed 50% of the premium cost for each employee and may not be claimed for a period of more than 36 consecutive months. A tax credit may not be granted to an employer or the employer's successor within 10 years of the last consecutive credit claimed.
- (5) The credit allowed under this section may not be claimed as a carryback or carryforward and may not be refunded if the employer has no tax liability. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 10.** Section 15-31-133, MCA, is amended to read:

**"15-31-133. Credit for day-care facilities.** (1) There is a credit against the taxes otherwise due under this chapter that is allowable to an employer based on the amounts paid or incurred during the tax year by the employer to acquire, construct, reconstruct, renovate, or otherwise improve real property so that the property may be used primarily as a day-care facility. Subject to the conditions of this section, the amount of the credit is equal to:

- (a) the amount of the day-care facility credit determined under subsection (2); and
  - (b) any day-care facility tax credit carryforwards.
- (2) The credit allowed under subsection (1) is the lesser of:
- (a) \$2,500, multiplied by the number of dependents that the day-care facility is designed to accommodate at the end of the first tax year for which credit is first claimed;
  - (b) 15% of the cost of the acquisition, construction, reconstruction, renovation, or other improvement; or
  - (c) \$50,000.

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

(3) The amounts paid or incurred by the employer for the acquisition, construction, reconstruction, renovation, or other improvement to real property that qualify for the credit may be paid or incurred either:

(a) to another person to be used to acquire, construct, reconstruct, renovate, or otherwise improve real property that is operated as a day-care facility and with whom the employer contracts to make day-care assistance payments, and the payments are excluded, or partially excluded, under 26 U.S.C. 129 from the income of the employee for federal tax purposes; or

(b) to acquire, construct, reconstruct, renovate, or otherwise improve real property that is operated by the employer, or a combination of employers, to provide day-care assistance to the employees of the employer under a program or programs, and the program or programs are excluded, or partially excluded, under 26 U.S.C. 129 from the income of the employee for federal tax purposes.

(4) To qualify for the credit allowed under subsection (1), the following conditions apply:

(a) The property must be in actual use in Montana as a day-care facility on the last day of the tax year for which the credit or any carryforward amount of the credit is claimed.

(b) Day-care services assisted by the employer must take place on the property on the last day of the tax year for which the credit or any carryforward amount of the credit is claimed.

(c) The person operating the day-care facility must hold a current license or registration certificate under Title 52, chapter 2, part 7, on the last day of the tax year for which the credit under subsection (1) is claimed.

(d) The day-care facility must accommodate six or more children.

(e) The day-care facility must be placed in operation before January 1, 2006.

(5) The total amount of the costs upon which the credit allowed under subsection (1) is based and the total amount of the credit must be determined by the employer, subject to rules adopted by the department, during the tax year in which the property acquired, constructed, reconstructed, renovated, or otherwise improved is first placed in operation as a day-care facility.

(6) The amount paid or incurred by the employer upon which the credit allowed under subsection (1) is based must be excluded from the income of an employee subject to the limitations provided in 26 U.S.C. 129(b).

(7) The taxpayer is allowed one-tenth of the total credit determined under subsection (2) in the first tax year in which the taxpayer may claim the credit and one-tenth of the total credit is allowed in each succeeding tax year, not to exceed 9 tax years. The credit may not be claimed in tax years 2018 and 2019.

(8) Except as provided in subsections (4)(a) and (4)(b), if the tax credit allowed under subsection (1) exceeds the taxpayer's liability, the credit may be carried forward to the succeeding tax year or years, except that a carryforward amount is not allowed beyond the period allowed for the credit as provided in subsection (7).

(9) The provisions of this section do not affect the computation of depreciation or basis for a day-care facility. However, if the credit allowed under this section is claimed, the amount of any deduction that is allowed or allowable under this chapter for the amounts paid or incurred, or upon which the credit is based, must be reduced by the dollar amount of the credit allowed.

(10) The department shall require evidence from the taxpayer that the person operating the day-care facility on the date that the taxpayer's tax year ends is licensed or registered to operate the facility. The evidence must accompany the tax return in which any amount of tax credit allowed under this section is claimed. If the evidence is not furnished, the credit is not allowed for the tax

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

year for which the evidence is not furnished. Upon request of the department, the department of public health and human services shall report to the department on whether the day-care facility was operated as a licensed or registered day-care facility on the last day of the tax year of the person claiming the credit.

(11) The employer must meet any other requirements or furnish any information to the department that the department requires under rules adopted by the department to carry out the purposes of this section.

(12) If the credit allowed under this section is claimed by a small business corporation, as defined in 15-30-3301, or a partnership, the credit must be attributed to shareholders or partners, using the same proportion to report the corporation's or partnership's income or loss for Montana income tax purposes.

(13) For purposes of the credit allowed under subsection (1):

(a) the definitions and special rules contained in 26 U.S.C. 129(e) apply to the extent applicable; and

(b) "employer" means an employer carrying on a business, trade, occupation, or profession in this state."

"

**Insert: "Section 11.** Section 15-31-134, MCA, is amended to read:

**"15-31-134. Empowerment zone new employees -- tax credit.** (1) There is a credit for taxes due under 15-31-121 or 15-31-122 for an employer for each new employee at a business in an empowerment zone created pursuant to Title 7, chapter 21, part 37. The taxpayer must be certified by the department of labor and industry to be eligible to receive the credit as provided in 7-21-3710.

(2) The amount of the credit for each qualifying employee is:

1st year of employment	\$500
2nd year of employment	\$1,000
3rd year of employment	\$1,500

(3) If the amount of the credit exceeds the taxpayer's liability, the credit may be carried forward 7 years and carried back 3 years. The entire amount of the tax credit not used in the year earned must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax year. The credit may not be claimed in tax years 2018 and 2019.

(4) If the credit allowed under this section is claimed by a small business corporation, as defined in 15-30-3301, a pass-through entity, or a partnership, the credit must be attributed to shareholders, owners, or partners using the same proportion as used to report the entity's income or loss.""

**Insert: "Section 12.** Section 15-31-150, MCA, is amended to read:

**"15-31-150. Credit for research expenses and research payments.** (1) (a) There is a credit against taxes otherwise due under this chapter for increases in qualified research expense and basic research payments for research conducted in Montana. Except as provided in this section, the credit must be determined in accordance with section 41 of the Internal Revenue Code, 26 U.S.C. 41, as that section read on July 1, 1996, or as subsequently amended.

(b) For purposes of the credit, the:

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

(i) applicable percentage specified in 26 U.S.C. 41(a) is 5%;  
(ii) election of the alternative incremental credit allowed under 26 U.S.C. 41(c)(4) does not apply;

(iii) special rules in 26 U.S.C. 41(g) do not apply; and  
(iv) termination date provided for in 26 U.S.C. 41(h)(1)(B) does not apply.

(2) The credit allowed under this section for a tax year may not exceed the tax liability under chapter 30 or 31. A credit may not be refunded if a taxpayer has tax liability less than the amount of the credit.

(3) The credit allowed under this section may be used as a carryback against taxes imposed under chapter 30 or 31 for the 2 preceding tax years and may be used as a carryforward against taxes imposed by chapter 30 or 31 for the 15 succeeding tax years. The entire amount of the credit not used in the year earned must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax year.

(4) A taxpayer may not claim a current year credit under this section after December 31, 2010. However, any unused credit may be carried back or forward as provided in subsection (3). The credit may not be carried forward to tax years 2018 and 2019.

(5) A corporation, an individual, a small business corporation, a partnership, a limited liability partnership, or a limited liability company qualifies for the credit under this section. If the credit is claimed by a small business corporation, a partnership, a limited liability partnership, or a limited liability company, the credit must be attributed to the individual shareholders, partners, members, or managers in the same proportion used to report income or loss for state tax purposes. The allocations in 26 U.S.C. 41(f) do not apply to this section.

(6) For purposes of calculating the credit, the following definitions apply:

(a) "Gross receipts" means:

(i) for a corporation that has income from business activity that is taxable only within the state, all gross sales less returns of the corporation for the tax year; and

(ii) for a corporation that has income from business activity that is taxable both within and outside of the state, only the gross sales less returns of the corporation apportioned to Montana for the tax year.

(b) "Qualified research" has the meaning provided in 26 U.S.C. 41(d), but is limited to research conducted in Montana.

(c) "Qualified research expenses" has the meaning provided in 26 U.S.C. 41(b), but includes only the sum of amounts paid or incurred by the taxpayer for research conducted in Montana.

(d) "Supplies" has the meaning provided in 26 U.S.C. 41(b)(2)(C), but includes only those supplies used in the conduct of qualified research in Montana.

(e) (i) "Wages" has the meaning provided in 39-51-201, except as provided in subsection (6)(e)(ii) of this section, and includes only those wages paid or incurred for an employee for qualified services performed by the employee in Montana.

(ii) Notwithstanding the exception to the definition of wages in 39-51-201(25)(b)(v), for a self-employed individual and an owner-employee, the term includes the income, as defined in 26 U.S.C. 401(c)(2), of the employee.

(7) The department shall adopt rules, prepare forms, maintain records, and perform other duties necessary to implement this section. In adopting rules to implement this section, the department shall conform the rules to regulations prescribed by the secretary of the treasury under

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

26 U.S.C. 41 except to the extent that the regulations need to be modified to conform to this section.""

**Insert: "Section 13.** Section 15-31-151, MCA, is amended to read:

**"15-31-151. Credit for preservation of historic buildings.** (1) (a) There is allowed as a credit against the taxes imposed by 15-31-101, 15-31-121, and 15-31-122 a percentage of the credit allowed for qualified rehabilitation expenditures, with respect to any certified historic building located in Montana, as provided in 26 U.S.C. 47 or as that section may be renumbered or amended.

(b) The amount of the credit allowed for a tax year is 25% of the amount of the credit determined under 26 U.S.C. 47(a)(2) or as that section may be renumbered or amended.

(2) The credit allowed by this section may not be refunded if the taxpayer has a tax liability less than the amount of the credit. If the sum of credit carryovers from the credit, if any, and the amount of credit allowed by this section for the tax year exceeds the taxpayer's tax liability for the current tax year, the excess attributable to the current tax year's credit is a credit carryover to the 7 succeeding tax years. The entire amount of unused credit must be carried forward to the earliest of the succeeding years, and the oldest available unused credit must be used first. The credit may not be claimed in tax years 2018 and 2019.

(3) If the credit under this section is claimed by a small business corporation, as defined in 15-30-3301, or a partnership, the credit must be attributed to shareholders or partners, using the same proportion used to report the corporation's or partnership's income or loss for Montana income tax purposes.""

**Insert: "Section 14.** Section 15-32-109, MCA, is amended to read:

**"15-32-109. Credit for energy-conserving expenditures.** (1) Subject to the restrictions of subsection (2), a resident individual taxpayer may take a credit against the taxpayer's tax liability under chapter 30 for 25% of the taxpayer's expenditure for a capital investment in the physical attributes of a building or the installation of a water, heating, or cooling system in the building, so long as either type of investment is for an energy conservation purpose, in an amount not to exceed \$500.

(2) The credit under subsection (1):

(a) may not exceed the taxpayer's tax liability; ~~and~~

(b) is subject to the provisions of 15-32-104; ~~and~~

(c) may not be claimed in tax years 2018 and 2019.""

**Insert: "Section 15.** Section 15-32-115, MCA, is amended to read:

**"15-32-115. Credit for geothermal system -- to whom available -- eligible costs -- limitations.** (1) A resident individual taxpayer or a person constructing a new residence who completes installation of a geothermal system, as defined in 15-32-102, in the taxpayer's principal dwelling or in a residence constructed by the taxpayer is entitled to claim a tax credit against the taxpayer's tax liability under chapter 30 or 31 for a portion of the installation costs of the system, not to exceed \$1,500. Only one credit may be claimed for a residence. The amount of the credit not used in the year in which the installation is made may be carried forward against taxes imposed under chapter 30 or 31 for the 7 succeeding tax years. The entire amount of the credit not used in the year that it was earned must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax year. The credit may not be claimed in tax years 2018 and 2019. A credit is not allowed under this section for expenditures claimed as a deduction under 15-32-103.



HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

- (2) For the purposes of this section, installation costs include the cost of:
- (a) trenching, well drilling, casing, and downhole heat exchangers;
  - (b) piping, control devices, and pumps that move heat from the earth to heat or cool the building;
  - (c) ground source or ground coupled heat pumps;
  - (d) liquid-to-air heat exchanger, ductwork, and fans installed with a ground heat well that pump heat from a well into a building; and
  - (e) design and labor."

**Insert: "Section 16.** Section 15-32-201, MCA, is amended to read:

**"15-32-201. Amount of credit -- to whom available.** (1) A resident individual taxpayer who completes installation of an energy system using a recognized nonfossil form of energy generation, as defined in 15-32-102, to provide heat for the taxpayer's principal dwelling is allowed to claim a tax credit in an amount equal to the cost of the system, including installation costs, less grants received, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to chapter 30.

(2) A resident individual taxpayer who completes installation of an energy system using a low-emission wood or biomass combustion device, as defined in 15-32-102, to provide heat for the taxpayer's principal dwelling is allowed to claim a tax credit in an amount equal to the cost of the system, including the installation costs, not to exceed \$500, against the income tax liability imposed against the taxpayer pursuant to Title 15, chapter 30. The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 17.** Section 15-32-202, MCA, is amended to read:

**"15-32-202. Taxable years in which credit may be claimed -- carryover.** The tax credit is to be deducted from the taxpayer's income tax liability for the taxable year in which the energy system was acquired by the taxpayer. If the amount of the tax credit exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability. Notwithstanding the foregoing provision, no tax credit may be carried over for deduction after the fourth taxable year succeeding the taxable year in which the energy system was acquired. The credit may not be claimed in or carried forward to tax years 2018 and 2019."

**Insert: "Section 18.** Section 15-32-402, MCA, is amended to read:

**"15-32-402. Commercial or net metering system investment credit -- alternative energy systems.** (1) An individual, corporation, partnership, or small business corporation as defined in 15-30-3301 that makes an investment of \$5,000 or more in property that is depreciable under the Internal Revenue Code for a commercial system or a net metering system, as defined in 69-8-103, that is located in Montana and that generates energy by means of an alternative renewable energy source, as defined in 15-6-225, is entitled to a tax credit against taxes imposed by 15-30-2103 or 15-31-121 in an amount equal to 35% of the eligible costs, to be taken as a credit only against taxes due as a consequence of taxable or net income produced by one of the following:

- (a) manufacturing plants located in Montana that produce alternative energy generating equipment;
- (b) a new business facility or the expanded portion of an existing business facility for which the alternative energy generating equipment supplies, on a direct contract sales basis, the basic

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

energy needed; or

(c) the alternative energy generating equipment in which the investment for which a credit is being claimed was made.

(2) For purposes of determining the amount of the tax credit that may be claimed under subsection (1), eligible costs include only those expenditures that are associated with the purchase, installation, or upgrading of:

(a) generating equipment;

(b) safety devices and storage components;

(c) transmission lines necessary to connect with existing transmission facilities; and

(d) transmission lines necessary to connect directly to the purchaser of the electricity when no other transmission facilities are available.

(3) Eligible costs under subsection (2) must be reduced by the amount of any grants provided by the state or federal government for the system.

(4) The credit may not be claimed in tax years 2018 and 2019.""

**Insert: "Section 19.** Section 15-32-404, MCA, is amended to read:

**"15-32-404. Carryover of credit.** (1) The tax credit allowed under 15-32-402 is to be deducted from that portion of the taxpayer's tax liability as set forth in 15-32-402(1) for the tax year in which the equipment invested in by the taxpayer is placed in service. If the amount of the tax credit exceeds the taxpayer's tax liability for the tax year, the amount that exceeds the tax liability may be carried over for credit against the taxpayer's tax liability in the next succeeding tax year or years until the total amount of the tax credit has been deducted from tax liability. However, except as provided in subsection (2), a credit may not be carried beyond the seventh tax year succeeding the tax year in which the equipment was placed in service. The credit may not be claimed in or carried forward to tax years 2018 and 2019.

(2) A credit may be extended through the 15th tax year succeeding the tax year in which the equipment was placed in service if an individual, corporation, partnership, or small business corporation, as defined in 15-30-3301:

(a) invests in a commercial system located within the exterior boundaries of a Montana Indian reservation, which commercial system is 5 megawatts or larger in size; and

(b) signs an employment agreement with the tribal government of the reservation where the commercial system would be constructed regarding the training and employment of tribal members in the construction, operation, and maintenance of the commercial system.""

**Insert: "Section 20.** Section 15-32-505, MCA, is amended to read:

**"15-32-505. Application of credit.** (1) In a tax year, a person may take a credit that was approved under 15-32-504 against taxes payable by the person. The credit may not exceed 50% of the person's tax liability under either Title 15, chapter 30 or 31, for the tax year that is related to production from the mining operation at which the exploration activities occurred.

(2) If a person applies the credit against the person's tax liability under subsection (1), the department shall disallow application of the credit under that provision unless the person files with the person's tax return an accounting of the person's exploration activities for each mining operation that is included in the tax return and as to which the credit is being applied. The accounting of exploration activities required by this subsection must be made on a form prescribed by the department. On the form, the person shall:

(a) identify the mining operations for which the credit is claimed; and

(b) set out the gross income attributable to the mining operations and other information

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

about the mining operations that the department may require.

(3) A person may not apply the credit under this section if the application, when added to credits previously applied under this section, would exceed the total amount of the credits approved under 15-32-504.

(4) The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 21.** Section 15-32-602, MCA, is amended to read:

**"15-32-602. Amount and duration of credit -- how claimed.** (1) An individual, corporation, partnership, or small business corporation, as defined in 15-30-3301, may receive a credit against taxes imposed by Title 15, chapter 30 or 31, for investments in depreciable property to collect or process reclaimable material or to manufacture a product from reclaimed material, if the taxpayer qualifies under 15-32-603.

(2) Subject to subsection (4), a taxpayer qualifying for a credit under 15-32-603 is entitled to claim a credit, as provided in subsection (3), for the cost of each item of property purchased to collect or process reclaimable material or to manufacture a product from reclaimed material only in the year in which the property was purchased.

(3) The amount of the credit that may be claimed under this section for investments in depreciable property is determined according to the following schedule:

- (a) 25% of the cost of the property on the first \$250,000 invested;
- (b) 15% of the cost of the property on the next \$250,000 invested; and
- (c) 5% of the cost of the property on the next \$500,000 invested.

(4) A credit may not be claimed for investments in depreciable property in excess of \$1 million.

(5) The credit may not be claimed in tax years 2018 and 2019."

**Insert: "Section 22.** Section 15-32-701, MCA, is amended to read:

**"15-32-701. Oilseed crush facility-- tax credit.** (1) An individual, corporation, partnership, or small business corporation, as defined in 15-30-3301, may receive a credit against taxes imposed by Title 15, chapter 30 or 31, for the costs of investments in depreciable property in Montana that is used primarily for crushing oilseed crops for purposes of producing biodiesel or biolubricant.

(2) Subject to subsection (4), a taxpayer qualifying for a credit under this section is entitled to claim a credit, as provided in subsection (3), for the costs described in subsection (1) incurred in the 2 tax years before the facility begins crushing oilseed or in any tax year in which the facility is crushing oilseed.

(3) The total amount of credits for all years that may be claimed for a facility under this section is 15% of the costs described in subsection (1), up to a total of \$500,000.

(4) The following requirements must also be met for a taxpayer to be entitled to a tax credit under this section:

(a) The depreciable property for which the credit is claimed must begin to be used for the purposes described in subsection (1) before January 1, 2015.

(b) (i) The taxpayer claiming a credit must be a person who as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that crushes oilseed or that manufactures a product from crushed oilseed.

(ii) If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(c) The business must be owned or leased during the tax year by the taxpayer claiming the

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

credit, except as otherwise provided in subsection (4)(b), and, except for the 2 tax-year period claimed in subsection (2), must have been using the depreciable property for the purposes described in subsection (1) during the tax year for which the credit is claimed and during each year for which the credit is carried forward.

(5) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(6) A tax credit allowable under this section that is not completely used by the taxpayer in the tax year in which the credit is initially claimed may be carried forward for credit against a taxpayer's tax liability for any succeeding tax year until the total amount of the credit has been deducted from tax liability. However, a credit may not be carried forward to any tax year in which the facility in which the depreciable property is installed is not crushing oilseed or beyond the 7th tax year after the tax year for which the credit was initially claimed. The credit may not be claimed in or carried forward to tax years 2018 and 2019. If a facility in which property is installed and for which a credit is claimed ceases production of biodiesel or biolubricant for a period of 12 continuous months within 5 years after the initial claiming of a credit under this section or within 5 years after a year in which the credit was carried forward, the credit is subject to recapture. The person claiming the credit is liable for the total amount of the credit in the event of recapture.

(7) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(8) If the taxpayer is a shareholder of an electing small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in equipment necessary to crush oilseed or to manufacture a product from oilseed. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law.

(9) For the purposes of this section, "biolubricant" means a commercial or industrial product, other than food or feed, that is composed in whole or in substantial part of biological products, renewable domestic agricultural materials, including plant, animal, or marine materials, or forestry materials and that is used in place of a petroleum-based lubricant."

**Insert: "Section 23.** Section 15-32-702, MCA, is amended to read:

**"15-32-702. Biodiesel or biolubricant production facility tax credit.** (1) An individual, corporation, partnership, or small business corporation, as defined in 15-30-3301, may receive a credit against taxes imposed by Title 15, chapter 30 or 31, for the costs of investments in depreciable property for constructing or equipping a facility, or both, in Montana to be used for biodiesel or biolubricant production.

(2) Subject to subsection (4), a taxpayer qualifying for a credit under this section is entitled to claim a credit, as provided in subsection (3), for the costs described in subsection (1) incurred in the 2 tax years before the facility begins producing biodiesel or biolubricant or in any tax year in which the facility is producing biodiesel or biolubricant.

(3) The total amount of the credits for all years that may be claimed for a facility under this section is 15% of the costs described in subsection (1).

(4) The following requirements must also be met for a taxpayer to be entitled to a tax credit under this section:

(a) The depreciable property for which the credit is claimed must begin operating before January 1, 2015.

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

(b) (i) The taxpayer claiming a credit must be a person who as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that manufactures biodiesel or biolubricant.

(ii) If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(c) The business must be owned or leased during the tax year by the taxpayer claiming the credit, except as otherwise provided in subsection (4)(b), and, except for the 2 tax-year period claimed in subsection (2), must have been producing biodiesel or biolubricant during the tax year for which the credit is claimed and during each year in which the credit is carried forward.

(5) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(6) A tax credit allowable under this section that is not completely used by the taxpayer in the tax year in which the credit was initially taken may be carried forward for credit against a taxpayer's tax liability for any succeeding tax year until the total amount of the credit has been deducted from tax liability. However, a credit may not be carried forward to any tax year in which the facility in which the depreciable property is installed is not producing biodiesel or biolubricant or beyond the 7th tax year after the tax year for which the credit was initially claimed. If a facility for which a credit is claimed ceases production of biodiesel or biolubricant for a period of 12 continuous months within 5 years after the initial claiming of a credit under this section or within 5 years after a year in which the credit was carried forward, the credit is subject to recapture. The credit may not be claimed in or carried forward to tax years 2018 and 2019. The person claiming the credit is liable for the total amount of the credit in the event of recapture.

(7) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(8) If the taxpayer is a shareholder of an electing small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in the biodiesel or biolubricant production facility. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law.

(9) As used in this section, the following definitions apply:

(a) "Biodiesel" has the meaning provided in 15-70-401.

(b) "Biolubricant" has the meaning provided in 15-32-701(9)."

**Insert: "Section 24.** Section 15-32-703, MCA, is amended to read:

**"15-32-703. Biodiesel blending and storage tax credit -- recapture -- report to interim committee.** (1) An individual, corporation, partnership, or small business corporation, as defined in 15-30-3301, may receive a credit against taxes imposed by Title 15, chapter 30 or 31, for the costs of investments in depreciable property used for storing or blending biodiesel with petroleum diesel for sale.

(2) Subject to subsection (4), a special fuel distributor or an owner or operator of a motor fuel outlet qualifying for a credit under this section is entitled to claim a credit, as provided in subsection (3), for the costs described in subsection (1) incurred in the 2 tax years before the taxpayer begins blending biodiesel fuel for sale or in any tax year in which the taxpayer is blending biodiesel fuel for sale.

(3) (a) The total amount of the credits for all years that may be claimed by a distributor under this section is 15% of the costs described in subsection (1), up to a total of \$52,500.

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

(b) The total amount of the credits for all years that may be claimed by an owner or operator of a motor fuel outlet under this section is 15% of the costs described in subsection (1), up to a total of \$7,500.

(4) The following requirements must also be met for a taxpayer to be entitled to a tax credit under this section:

(a) The investment must be for depreciable property used primarily to blend petroleum diesel with biodiesel made entirely from Montana-produced feedstocks.

(b) Sales of biodiesel must be at least 2% of the taxpayer's total diesel sales by the end of the third year following the initial tax year in which the credit is initially claimed.

(c) (i) The taxpayer claiming a credit must be a person who as an owner, including a contract purchaser or lessee, or who pursuant to an agreement owns, leases, or has a beneficial interest in a business that blends biodiesel.

(ii) If more than one person has an interest in a business with qualifying property, they may allocate all or any part of the investment cost among themselves and their successors or assigns.

(d) The business must be owned or leased during the tax year by the taxpayer claiming the credit, except as otherwise provided in subsection (4)(c), and, except for the 2 tax-year period claimed in subsection (2), must have been blending biodiesel during the tax year for which the credit is claimed.

(5) The credit provided by this section is not in lieu of any depreciation or amortization deduction for the investment or other tax incentive to which the taxpayer otherwise may be entitled under Title 15.

(6) A tax credit allowable under this section that is not completely used by the taxpayer in the tax year in which the credit is initially claimed may be carried forward for credit against the taxpayer's tax liability for any succeeding tax year until the total amount of the credit has been deducted from tax liability. However, a credit may not be carried forward to any tax year in which the facility is not blending biodiesel or storing biodiesel for blending or beyond the 7th tax year after the tax year for which the credit was initially claimed. The credit may not be claimed in or carried forward to tax years 2018 and 2019. If a facility for which a credit is claimed ceases blending of biodiesel with petroleum diesel for sale for a period of 12 continuous months within 5 years after the initial claiming of a credit under this section or within 5 years after a year in which the credit was carried forward or if the taxpayer claiming the credit fails to satisfy the conditions of subsection (4)(b), the total credit is subject to recapture. The person claiming the credit is liable for the total amount of the credit in the event of recapture.

(7) The taxpayer's adjusted basis for determining gain or loss may not be further decreased by any tax credits allowed under this section.

(8) If the taxpayer is a shareholder of an electing small business corporation, the credit must be computed using the shareholder's pro rata share of the corporation's cost of investing in the biodiesel blending facility. In all other respects, the allowance and effect of the tax credit apply to the corporation as otherwise provided by law.

(9) As used in this section, "biodiesel" has the meaning provided in 15-70-401.

(10) The department shall report to the revenue and transportation interim committee biennially regarding the number and type of taxpayers claiming the credit under this section, the total amount of the credit claimed, and the department's cost associated with administering the credit."

**Insert: "Section 25.** Section 15-50-207, MCA, is amended to read:

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

**"15-50-207. Credit against other taxes -- credit for personal property taxes and certain fees.** (1) (a) The additional license fees withheld or otherwise paid as provided in this chapter may be used as a credit on the contractor's corporate income tax provided for in chapter 31 of this title or on the contractor's income tax provided for in chapter 30, depending upon the type of tax the contractor is required to pay under the laws of the state.

(b) The credit allowed under this subsection (1) may be used as a carryforward against taxes imposed by chapter 30 or 31 for the 5 succeeding tax years. The entire amount of the credit not used in the year earned must be carried first to the earliest tax year in which the credit may be applied and then to each succeeding tax year. The credit may not be claimed in or carried forward to tax years 2018 and 2019.

(2) Personal property taxes and the fee in lieu of tax on buses, trucks having a manufacturer's rated capacity of more than 1 ton, or truck tractors, as provided in 61-3-529, and the registration fee on light vehicles, as provided in 61-3-321(2) and 61-3-562, paid in Montana on any personal property or vehicle of the contractor that is used in the business of the contractor and is located within this state may be credited against the license fees required under this chapter. However, in computing the tax credit allowed by this section against the contractor's income tax or corporate income tax, the tax credit against the license fees required under this chapter may not be considered as license fees paid for the purpose of the income tax or corporate income tax credit."

**Renumber:** subsequent sections

7. Page 28, line 17 through page 29, line 5.

**Strike:** page 28, line 17 through page 29, line 5

8. Page 29, line 7 through line 22.

**Strike:** line 7 through line 22

9. Page 29, line 24 through page 30, line 23.

**Strike:** page 29, line 24 through page 30, line 23

10. Page 30, line 30.

**Insert:** "NEW SECTION. **Section 29. Termination.** [Sections 1 through 25] terminate December 31, 2019."

And, as amended, do pass. Report adopted.

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Ehli moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Glimm in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

second reading, recommend as follows:

**HB 2** - Representative Ballance moved **HB 2**, second reading copy, be amended as follows:

1. Page E-2: .

**Strike:** "0" on line 21 [General Fund FY18]

**Insert:** "11,656,539" [General Fund FY18]

Amendment adopted as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 59

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 41

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**HB 2** - Representative Brodehl moved for cloture. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Keane, Kelker, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Patelis, Peppers, Perry, Price, Redfield, Regier, Ricci, Rosendale, Sales, Schreiner, Shaw, Skees, Staffanson, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.

Total 84

Nays: Curdy, Curtis, Fern, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Kipp III, Lynch,



HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Olsen, Pierson, Ryan, Smith, Stewart-Per, Webber.

Total 16

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**HB 2** - Representative Ballance moved **HB 2** do pass as amended. Motion carried as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 59

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 41

Excused: None.

Total 0

Absent or not voting: None.

Total 0

Majority Leader Ehli moved the committee rise, report progress, and beg leave to sit again. Motion carried. Committee arose. House resumed. Mr. Speaker presiding. Chair Glimm moved the Committee of the Whole report be adopted. Report adopted as follows.

Yeas: Anderson, Ballance, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fern, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 59

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan,

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 40

Excused: None.

Total 0

Absent or not voting: Bartel.

Total 1

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**HB 5** passed as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 58

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Hopkins, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 42

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**HB 8** passed as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Jones, C Knudsen, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 55

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Hopkins, Jacobson, Karjala, Keane, Kelker, Kipp III, Knokey, Lavin, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 45

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**HB 2** passed as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 59

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 41

Excused: None.

Total 0

Absent or not voting: None.

Total 0

Representative Ballance rose on a **Point of Personal Privilege** to apologize for the time delay on the transfer bill. She stated they were scrambling to find additional ways to reduce the amount of cuts as she believed the members did not come to raise revenue but to find a solution. House Bill 6 would not be heard on the Floor until a solution was found.

House in Recess

House Reconvened

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

**MESSAGES FROM THE SENATE**

**House bills** concurred in and returned to the House: 11/15/2017

**HB 2**, introduced by Ballance

**HB 5**, introduced by Cook

**Senate bill** passed and transmitted to the House for concurrence: 11/15/2017

**SB 1**, introduced by Swandal

**SB 2**, introduced by Ankney

**SB 3**, introduced by Osmundson

**SB 4**, introduced by Buttrey

**SB 10**, introduced by Olszewski

**SB 12**, introduced by K. Regier

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Ehli moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Glimm in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**SB 4** - Representative Keane moved **SB 4** be concurred in. Motion carried as follows:

Yeas: Abbott, Bachmeier, Ballance, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ellis, Fern, Fitzgerald, Fleming, Funk, Garner, Grubbs, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Sales, Schreiner, Shaw, Smith, Stewart-Per, Swanson, Webber, Welch, Windy Boy, Woods.

Total 49

Nays: Anderson, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Doane, Ehli, Essmann, Flynn, Galloway, Galt, Glimm, Greef, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, White, Zolnikov, Mr. Speaker.

Total 51

Excused: None.

Total 0

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Absent or not voting: None.

Total 0

**SB 12** - Representative Harris moved **SB 12** be concurred in. Motion carried as follows:

Yeas: Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Doane, Ehli, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Knokey, C Knudsen, Lavin, Loge, Mandeville, Manzella, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Rosendale, Sales, Skees, Staffanson, Tschida, Usher, Vinton, Webb, Welch, White, Mr. Speaker.

Total 45

Nays: Abbott, Anderson, Bachmeier, Bennett, Bishop, Z. Brown, Court, Cuffe, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ellis, Essmann, Fern, Fleming, Funk, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Lenz, Lynch, McCarthy, McConnell, McKamey, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ricci, Ryan, Schreiner, Shaw, Smith, Stewart-Per, Swanson, Trebas, Wagoner, Webber, Windy Boy, Woods, Zolnikov.

Total 55

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**SB 1** - Representative Ballance moved **SB 1** be concurred in. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Regier, Ricci, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Mr. Speaker.

Total 93

Nays: Burnett, Jacobson, Mandeville, Rosendale, Trebas, Zolnikov.

Total 6

Excused: None.

Total 0

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Absent or not voting: Redfield.

Total 1

**SB 2** - Representative Ballance moved **SB 2** be concurred in. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Garner, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, Lavin, Lenz, Loge, Lynch, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Smith, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods.

Total 87

Nays: Berglee, Doane, Galt, Glimm, Harris, A Hertz, G Hertz, C Knudsen, Mandeville, Skees, Staffanson, Zolnikov, Mr. Speaker.

Total 13

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**SB 3** - Representative Ballance moved **SB 3** be concurred in. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.

Total 98

Nays: Burnett, Staffanson.

Total 2

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Excused: None.

Total 0

Absent or not voting: None.

Total 0

Majority Leader Ehli moved the committee rise, report progress, and beg leave to sit again. Motion carried. Committee arose. House resumed. Mr. Speaker presiding. Chair Glimm moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Holmlund, Hopkins, Jacobson, Jones, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Patelis, Perry, Pierson, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Staffanson, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Zolnikov, Mr. Speaker.

Total 89

Nays: Curdy, Hill-Smith, Karjala, Keane, Olsen, Peppers, Price, Smith, Stewart-Per, Windy Boy, Woods.

Total 11

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**SB 1** concurred in as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen,

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Mr. Speaker.  
Total 95

Nays: Burnett, G Hertz, Mandeville, Trebas, Zolnikov.  
Total 5

Excused: None.  
Total 0

Absent or not voting: None.  
Total 0

**SB 2** concurred in as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Bishop, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fleming, Flynn, Funk, Galloway, Garner, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Lavin, Lenz, Loge, Lynch, Manzella, McCarthy, McConnell, McKamey, Morigeau, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Smith, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods.  
Total 80

Nays: Berglee, Brodehl, B. Brown, Doane, Fitzgerald, Galt, Glimm, Harris, A Hertz, G Hertz, Knokey, C Knudsen, Mandeville, Mortensen, Noland, Redfield, Skees, Staffanson, Zolnikov, Mr. Speaker.  
Total 20

Excused: None.  
Total 0

Absent or not voting: None.  
Total 0

**SB 3** concurred in as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C



HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.  
Total 99

Nays: Burnett.  
Total 1

Excused: None.  
Total 0

Absent or not voting: None.  
Total 0

**MOTIONS**

Representative Keane moved to reconsider action on **SB 4** and that **SB 4** be placed on second reading on Wednesday, November 15, 2017.

Motion **passed** as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Beard, Bennett, Berglee, Bishop, Brodehl, Z. Brown, Cook, Court, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Funk, Garner, Greef, Grubbs, Hamilton, Hamlett, Hayman, G Hertz, Hill-Smith, Hopkins, Jacobson, Karjala, Keane, Kelker, Kipp III, C Knudsen, Lavin, Lynch, McCarthy, McConnell, Morigeau, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Ryan, Sales, Schreiner, Shaw, Smith, Stewart-Per, Swanson, Webber, Welch, White, Windy Boy, Woods, Mr. Speaker.  
Total 65

Nays: Bartel, B. Brown, Burnett, Cuffe, Doane, Flynn, Galloway, Galt, Glimm, Gunderson, Harris, A Hertz, Holmlund, Jones, Knokey, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Regier, Ricci, Rosendale, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Zolnikov.  
Total 35

Excused: None.  
Total 0

Absent or not voting: None.  
Total 0

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Representative G. Hertz moved to reconsider action on **SB 12** and that **SB 12** be placed on second reading on Wednesday, November 15, 2017.

Motion **failed** as follows:

Yeas: Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Doane, Ehli, Fitzgerald, Flynn, Galt, Garner, Glimm, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, C Knudsen, Lavin, Manzella, Mortensen, Noland, Patelis, Redfield, Regier, Rosendale, Sales, Tschida, Usher, Webb, Welch, White, Mr. Speaker.

Total 37

Nays: Abbott, Anderson, Bachmeier, Bennett, Bishop, Z. Brown, Court, Cuffe, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ellis, Essmann, Fern, Fleming, Funk, Galloway, Greef, Grubbs, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, Lenz, Loge, Lynch, Mandeville, McCarthy, McConnell, McKamey, Morigeau, O'Hara, Olsen, Peppers, Perry, Pierson, Price, Ricci, Ryan, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Vinton, Wagoner, Webber, Windy Boy, Woods, Zolnikov.

Total 63

Excused: None.

Total 0

Absent or not voting: None.

Total 0

House in Recess

House Reconvened

**REPORTS OF STANDING COMMITTEES**

**APPROPRIATIONS** (Ballance, Chair):

11/15/2017

**HB 3**, do pass. Report adopted.

**HB 6**, introduced bill, be amended as follows:

1. Title, page 1, line 7.

**Following:** "75-25-101,"

**Strike:** "AND"

**Following:** "90-1-205,"

**Insert:** "AND 90-4-617,"

2. Page 1, line 13.

**Strike:** "December 1"

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

**Insert:** "December 15"

3. Page 2, line 8.

**Following:** "auditor shall"

**Strike:** "remit"

**Insert:** "transfer"

4. Page 2, line 9.

**Strike:** the first "December 1"

**Insert:** "December 15"

5. Page 2, line 11.

**Strike:** "December 1"

**Insert:** "December 15"

6. Page 2, line 13.

**Strike:** "\$7 million"

**Insert:** "\$2 million"

7. Page 2, line 18.

**Strike:** "\$5 million"

**Insert:** "\$7.5 million"

8. Page 2, line 19.

**Strike:** "\$1 million"

**Insert:** "\$250,000"

9. Page 2, line 20.

**Strike:** "at least \$1.1 million"

**Insert:** "\$450,000"

10. Page 2, line 22.

**Following:** "transfer"

**Strike:** "."

11. Page 2, line 23 through line 24.

**Strike:** subsection (a) in its entirety

**Renumber:** subsequent subsections

12. Page 2, line 25.

**Strike:** "(b)"

13. Page 2, line 27.

**Insert:** "NEW SECTION. Section 4. Additional fund transfers. By December 15, 2017, notwithstanding statutory restrictions on account usage, the state treasurer shall make

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

the following transfers to the general fund:

- (1) \$2.05 million from the natural resources projects state special revenue account established in 15-38-302;
- (2) \$400,000 from the Montana national guard land purchase account provided for in 10-1-108;
- (3) \$500,000 from the legislative branch reserve account fund provided for in 5-11-407;
- (4) \$500,000 from the hard-rock mining reclamation special revenue account provided for in 82-4-315;
- (5) \$1 million from the petroleum tank release cleanup fund provided for 75-11-313;
- (6) \$2 million from the state special revenue fund for the operation of the building codes program;
- (7) \$2 million from the state water project hydroelectric power generation special revenue account provided for in 85-1-220; and
- (8) \$1 million from the consumer protection state special revenue account administered by the department of justice."

**Insert:**        "NEW SECTION. Section 5. Fire fund transfer limit -- equalization. (1) For the biennium ending June 30, 2019, the state treasurer shall transfer any revenue received in the fire suppression account provided for in 76-13-150 in excess of \$40 million from the fire suppression account to the general fund.

(2) For the purposes of subsection (1), "revenue received" means any additional revenue and transfers received by the state based on actions of the legislature during the special session commencing November 14, 2017, for the following sources:

- (a) insurance premium tax revenue;
- (b) corporate and individual income tax revenue;
- (c) fire assessment fee revenue;
- (d) lodging facility use tax revenue;
- (e) accommodations and rental vehicle sales tax revenue;
- (f) management rate revenue received pursuant to Senate Bill No. 4;
- (g) revenue from contract renegotiations between the state and private correctional facility contractors; and
- (h) any legislative transfers directed to the fire suppression account.

(3) For the biennium ending June 30, 2019, if the fire suppression account biennial revenue including transfers in does not equal or exceed \$40 million on June 1, 2018, the state treasurer shall transfer an amount from the general fund to the fire suppression account that brings the fire suppression account biennial revenue including transfers in to \$40 million."

**Renumber:** subsequent sections

14. Page 16, line 3.

**Insert:** "Section 19. Section 90-4-617, MCA, is amended to read:

**"90-4-617. Energy conservation capital projects account.** (1) There is an energy conservation capital projects account in the capital projects fund type established in 17-2-102.

(2) There must be deposited in the account:

- (a) money transferred from the energy conservation repayment account; and

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

(b) other amounts transferred to the account by the legislature.

(3) ~~Money~~ Subject to legislative transfer, money in the account is available to the department by appropriation and must be used to pay the costs of the acquisition, installation, and construction of energy saving equipment, systems, or improvements in state buildings, facilities, or structures.""

**Renumber:** subsequent sections

15. Page 16, line 11 through line 13.

**Strike:** section 18 in its entirety

**Insert:** "NEW SECTION. Section 20. Contingent voidness. (1) If the governor vetoes House Bill No. 2 then [this act] is void.

(2) If the governor line item vetoes items in House Bill No. 2 causing an increase in general fund appropriations of more than 0.1% of general fund appropriations in House Bill No. 2, then [this act] is void."

16. Page 16, line 20.

**Strike:** "state special"

**Insert:** "general fund"

17. Page 16, line 30.

**Following:** "\$50,000"

**Insert:** "of state special revenue funds"

**Following:** "2018"

**Strike:** "or less than"

**Insert:** "and at least"

18. Page 17, line 1.

**Following:** "\$50,000"

**Insert:** "of state special revenue funds"

19. Page 17, line 8.

**Strike:** section 24 in its entirety

**Insert:** "NEW SECTION. Section 27. Effective dates. (1) Except as provided in subsection (2), [this act] is effective December 15, 2017.

(2) [Section 21] and [this section] are effective on passage and approval."

And, as amended, do pass. Report adopted.

**MESSAGES FROM THE SENATE**

**House bill** concurred in and returned to the House:

11/15/2017

**HB 8**, introduced by Usher

**Senate bills** passed and transmitted to the House for concurrence:

11/15/2017

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

**SB 5**, introduced by Fitzpatrick  
**SB 8**, introduced by Buttrey  
**SB 9**, introduced by L. Jones

**FIRST READING AND COMMITMENT OF BILLS**

The following Senate bills were introduced, read first time, and referred to committees:

**SB 5**, introduced by S. Fitzpatrick, referred to Committee of the Whole.  
**SB 8**, introduced by E. Buttrey, referred to Business and Labor.  
**SB 9**, introduced by L. Jones, referred to Committee of the Whole.

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Ehli moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Glimm in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**HB 3** - Representative Ballance moved **HB 3** do pass. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.  
Total 100

Nays: None.  
Total 0

Excused: None.  
Total 0

Absent or not voting: None.

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Total 0

**HB 6** - Representative Ballance moved **HB 6** do pass. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.

Total 99

Nays: Curtis.

Total 1

Excused: None.

Total 0

Absent or not voting: None.

Total 0

Majority Leader Ehli moved the committee rise, report progress, and beg leave to sit again. Motion carried. Committee arose. House resumed. Mr. Speaker presiding. Chair Glimm moved the Committee of the Whole report be adopted. Report adopted as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.

Total 100

Nays: None.

Total 0

Excused: None.

Total 0

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Absent or not voting: None.

Total 0

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**HB 3** passed as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.

Total 100

Nays: None.

Total 0

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**HB 6** passed as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, Hayman, A Hertz, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Woods, Zolnikov, Mr. Speaker.

Total 99



HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Nays: Curtis.

Total 1

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**SECOND READING OF BILLS  
(COMMITTEE OF THE WHOLE)**

Majority Leader Ehli moved the House resolve itself into a Committee of the Whole for consideration of business on second reading. Motion carried. Representative Glimm in the chair.

Mr. Speaker: We, your Committee of the Whole, having had under consideration business on second reading, recommend as follows:

**SB 5** - Representative Grubbs moved **SB 5** be concurred in. Motion carried as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Bishop, B. Brown, Z. Brown, Burnett, Cook, Court, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Garner, Glimm, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, G Hertz, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, Lavin, Lenz, Loge, Lynch, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Ryan, Sales, Schreiner, Shaw, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Usher, Vinton, Wagoner, Webber, Welch, White, Woods, Mr. Speaker.

Total 81

Nays: Berglee, Brodehl, Cuffe, Doane, Galloway, Galt, Greef, Harris, A Hertz, C Knudsen, Mandeville, Regier, Ricci, Rosendale, Skees, Tschida, Webb, Windy Boy, Zolnikov.

Total 19

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**SB 9** - Representative Ballance moved **SB 9** be concurred in. Motion carried as follows:

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Mr. Speaker.

Total 58

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods, Zolnikov.

Total 42

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**SB 4** - Representative Keane moved **SB 4** be concurred in. Motion carried as follows:

Yeas: Abbott, Bachmeier, Ballance, Bartel, Beard, Bennett, Bishop, B. Brown, Z. Brown, Cook, Court, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Fern, Fitzgerald, Fleming, Funk, Galloway, Garner, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, Hill-Smith, Holmlund, Hopkins, Jacobson, Karjala, Keane, Kelker, Kipp III, C Knudsen, Lavin, Lenz, Loge, Lynch, McCarthy, McConnell, Morigeau, Mortensen, Noland, O'Hara, Olsen, Peppers, Perry, Pierson, Price, Redfield, Ryan, Sales, Schreiner, Shaw, Smith, Staffanson, Stewart-Per, Swanson, Wagoner, Webber, Welch, White, Windy Boy, Woods, Mr. Speaker.

Total 72

Nays: Anderson, Berglee, Brodehl, Burnett, Cuffe, Essmann, Flynn, Galt, Glimm, Harris, A Hertz, G Hertz, Jones, Knokey, Mandeville, Manzella, McKamey, Patelis, Regier, Ricci, Rosendale, Skees, Trebas, Tschida, Usher, Vinton, Webb, Zolnikov.

Total 28

Excused: None.

Total 0

Absent or not voting: None.

Total 0

Majority Leader Ehli moved the committee rise and report progress. Motion carried. Committee arose. House resumed. Mr. Speaker presiding. Chair Glimm moved the Committee of the Whole report be adopted. Report adopted as follows:

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, Brodehl, B. Brown, Z. Brown, Burnett, Cook, Court, Cuffe, Curdy, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jacobson, Jones, Keane, Kelker, Kipp III, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Ryan, Sales, Schreiner, Shaw, Skees, Staffanson, Stewart-Per, Swanson, Trebas, Usher, Vinton, Wagoner, Webb, Webber, Welch, White, Windy Boy, Mr. Speaker.

Total 84

Nays: Curtis, Funk, Hayman, Hill-Smith, Karjala, Lynch, McCarthy, Olsen, Peppers, Perry, Pierson, Price, Smith, Tschida, Woods, Zolnikov.

Total 16

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**THIRD READING OF BILLS**

The following bills having been read three several times, title and history agreed to, were disposed of in the following manner:

**SB 5** concurred in as follows:

Yeas: Abbott, Anderson, Bachmeier, Ballance, Bartel, Beard, Bennett, Bishop, B. Brown, Z. Brown, Burnett, Cook, Court, Curdy, Curtis, Custer, Dudik, Dunwell, Eck, Ehli, Ellis, Essmann, Fern, Fitzgerald, Fleming, Flynn, Funk, Galloway, Garner, Glimm, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, Hill-Smith, Holmlund, Hopkins, Jacobson, Jones, Karjala, Keane, Kelker, Kipp III, Knokey, Lavin, Lenz, Loge, Lynch, Manzella, McCarthy, McConnell, McKamey, Morigeau, Mortensen, Noland, O'Hara, Olsen, Patelis, Peppers, Perry, Pierson, Price, Redfield, Ryan, Sales, Schreiner, Shaw, Smith, Staffanson, Stewart-Per, Swanson, Trebas, Usher, Vinton, Wagoner, Webber, Welch, White, Woods, Mr. Speaker.

Total 81

Nays: Berglee, Brodehl, Cuffe, Doane, Galt, Greef, Harris, A Hertz, G Hertz, C Knudsen, Mandeville, Regier, Ricci, Rosendale, Skees, Tschida, Webb, Windy Boy, Zolnikov.

Total 19

Excused: None.

Total 0

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Absent or not voting: None.

Total 0

**SB 9** concurred in as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Knokey, C Knudsen, Lavin, Lenz, Loge, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Mr. Speaker.

Total 58

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dudik, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hamlett, Hayman, Hill-Smith, Jacobson, Karjala, Keane, Kelker, Kipp III, Lynch, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods, Zolnikov.

Total 42

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**SB 4** concurred in as follows:

Yeas: Abbott, Bachmeier, Ballance, Bartel, Beard, Bennett, Berglee, Bishop, B. Brown, Z. Brown, Cook, Court, Curdy, Curtis, Custer, Doane, Dudik, Dunwell, Eck, Ehli, Ellis, Fern, Fitzgerald, Fleming, Funk, Garner, Greef, Grubbs, Gunderson, Hamilton, Hamlett, Hayman, Hill-Smith, Holmlund, Hopkins, Jacobson, Karjala, Keane, Kelker, Kipp III, C Knudsen, Lavin, Lenz, Loge, Lynch, McCarthy, McConnell, Morigeau, Mortensen, Noland, O'Hara, Olsen, Peppers, Perry, Pierson, Price, Ryan, Sales, Schreiner, Shaw, Smith, Staffanson, Stewart-Per, Swanson, Wagoner, Webber, Welch, White, Windy Boy, Woods, Mr. Speaker.

Total 71

Nays: Anderson, Brodehl, Burnett, Cuffe, Essmann, Flynn, Galloway, Galt, Glimm, Harris, A Hertz, G Hertz, Jones, Knokey, Mandeville, Manzella, McKamey, Patelis, Redfield, Regier, Ricci, Rosendale, Skees, Trebas, Tschida, Usher, Vinton, Webb, Zolnikov.

Total 29

Excused: None.

Total 0

Absent or not voting: None.

HOUSE JOURNAL  
SECOND LEGISLATIVE DAY - NOVEMBER 15, 2017

Total 0

**MOTIONS**

Representative Flynn moved the House Adjourn Sine Die. Motion carried as follows:

Yeas: Anderson, Ballance, Bartel, Beard, Berglee, Brodehl, B. Brown, Burnett, Cook, Cuffe, Custer, Doane, Dudik, Ehli, Essmann, Fitzgerald, Flynn, Galloway, Galt, Garner, Glimm, Greef, Grubbs, Gunderson, Hamlett, Harris, A Hertz, G Hertz, Holmlund, Hopkins, Jones, Keane, Knokey, C Knudsen, Lavin, Lenz, Loge, Lynch, Mandeville, Manzella, McKamey, Mortensen, Noland, O'Hara, Patelis, Redfield, Regier, Ricci, Rosendale, Sales, Shaw, Skees, Staffanson, Trebas, Tschida, Usher, Vinton, Wagoner, Webb, Welch, White, Zolnikov, Mr. Speaker.

Total 63

Nays: Abbott, Bachmeier, Bennett, Bishop, Z. Brown, Court, Curdy, Curtis, Dunwell, Eck, Ellis, Fern, Fleming, Funk, Hamilton, Hayman, Hill-Smith, Jacobson, Karjala, Kelker, Kipp III, McCarthy, McConnell, Morigeau, Olsen, Peppers, Perry, Pierson, Price, Ryan, Schreiner, Smith, Stewart-Per, Swanson, Webber, Windy Boy, Woods.

Total 37

Excused: None.

Total 0

Absent or not voting: None.

Total 0

**ADJOURNMENT**

House adjourned Sine Die for the first Special Session of the 65th Legislature of the House of Representatives at 1:07 a.m. on November 16, 2017.

LINDSEY VROEGINDEWEY  
Chief Clerk of the House

AUSTIN KNUDSEN  
Speaker of the House